

**Proposed Substitute
Bill No. 850**

LCO No. 4300

**AN ACT AMENDING THE CODE OF ETHICS FOR LOBBYISTS TO
REDEFINE "EXPENDITURE" AND RAISE THE THRESHOLD FOR
LOBBYIST REGISTRATION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 1-91 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2016*):

3 When used in this part, unless the context otherwise requires:

4 (1) "Administrative action" means any action or nonaction of any
5 executive agency of the state with respect to the proposal, drafting,
6 development, consideration, amendment, adoption or repeal of any
7 rule, regulation or utility rate, and any action or nonaction of any
8 executive agency or quasi-public agency, as defined in section 1-79,
9 regarding a contract, grant, award, purchasing agreement, loan, bond,
10 certificate, license, permit or any other matter which is within the
11 official jurisdiction or cognizance of such an agency.

12 (2) "Candidate for public office" means any person who has filed a
13 declaration of candidacy or a petition to appear on the ballot for
14 election as a public official, or who has raised or expended money in
15 furtherance of such candidacy, or who has been nominated for
16 appointment to serve as a public official; but does not include a

17 candidate for the office of senator or representative in Congress.

18 (3) "Board" means the Citizen's Ethics Advisory Board established
19 under section 1-80.

20 (4) "Compensation" means any value received or to be received by a
21 person acting as a lobbyist, whether in the form of a fee, salary or
22 forbearance.

23 (5) "Executive agency" means a commission, board, agency, or other
24 body or official in the executive branch of the state government and
25 any independent body of the state government that is not a part of the
26 legislative or judicial branch.

27 (6) "Expenditure" means any advance, conveyance, deposit,
28 distribution, transfer of funds, loan, payment, unless expressly
29 excluded; any payments for telephone, mailing, postage, printing and
30 other clerical or office services and materials; any paid
31 communications, costing fifty dollars or more in any calendar year,
32 disseminated by means of any printing, broadcasting or other
33 medium, provided such communications refer to pending
34 administrative or legislative action; any contract, agreement, promise
35 or other obligation; any solicitation or solicitations, costing fifty dollars
36 or more in the aggregate for any calendar year, of other persons to
37 communicate with a public official or state employee for the purpose
38 of influencing any legislative or administrative act and any pledge,
39 subscription of money or anything of value. "Expenditure" does not
40 include (A) the payment of a registrant's fee pursuant to section 1-95,
41 as amended by this act, (B) any expenditure made by any club,
42 committee, partnership, organization, business, union, association or
43 corporation for the purpose of publishing a newsletter or other release
44 [to] intended primarily for its members, shareholders or employees,
45 whether in written or electronic form or made orally during a
46 regularly noticed meeting, (C) any expenditure made by any club,
47 committee, partnership, organization, business, union, association or
48 corporation for the purpose of transporting its members, shareholders

49 or employees to or from a specific site, where such members,
50 shareholders or employees received no other compensation or
51 reimbursement for lobbying from such club, committee, partnership,
52 organization, business, union, association or corporation, or (D)
53 contributions, membership dues or other fees paid to associations,
54 nonstock corporations or tax-exempt organizations under Section
55 501(c) of the Internal Revenue Code of 1986, or any subsequent
56 corresponding internal revenue code of the United States, as from time
57 to time amended.

58 (7) "Gift" means anything of value, which is directly and personally
59 received, unless consideration of equal or greater value is given in
60 return. "Gift" does not include:

61 (A) A political contribution otherwise reported as required by law
62 or a donation or payment described in subdivision (9) or (10) of
63 subsection (b) of section 9-601a;

64 (B) Services provided by persons volunteering their time, if
65 provided to aid or promote the success or defeat of any political party,
66 any candidate or candidates for public office or the position of
67 convention delegate or town committee member or any referendum
68 question;

69 (C) A commercially reasonable loan made on terms not more
70 favorable than loans made in the ordinary course of business;

71 (D) A gift received from (i) the individual's spouse, [fiance or
72 fiancée] fiancé or fiancée, (ii) the parent, brother or sister of such
73 spouse or such individual, or (iii) the child of such individual or the
74 spouse of such child;

75 (E) Goods or services (i) that are provided to a state agency or quasi-
76 public agency (I) for use on state or quasi-public agency property, or
77 (II) that support an event or the participation by a public official or
78 state employee at an event, and (ii) that facilitate state or quasi-public
79 agency action or functions. As used in this subparagraph, "state

80 property" means property owned by the state or a quasi-public agency
81 or property leased to a state or quasi-public agency;

82 (F) A certificate, plaque or other ceremonial award costing less than
83 one hundred dollars;

84 (G) A rebate, discount or promotional item available to the general
85 public;

86 (H) Printed or recorded informational material germane to state
87 action or functions;

88 (I) Food or beverage or both, costing less than fifty dollars in the
89 aggregate per recipient in a calendar year, and consumed on an
90 occasion or occasions at which the person paying, directly or
91 indirectly, for the food or beverage, or his representative, is in
92 attendance;

93 (J) Food or beverage or both, costing less than fifty dollars per
94 person and consumed at a publicly noticed legislative reception to
95 which all members of the General Assembly are invited and which is
96 hosted not more than once in any calendar year by a lobbyist or
97 business organization. For the purposes of such limit, (i) a reception
98 hosted by a lobbyist who is an individual shall be deemed to have also
99 been hosted by the business organization which he owns or is
100 employed by, and (ii) a reception hosted by a business organization
101 shall be deemed to have also been hosted by all owners and employees
102 of the business organization who are lobbyists. In making the
103 calculation for the purposes of such fifty-dollar limit, the donor shall
104 divide the amount spent on food and beverage by the number of
105 persons whom the donor reasonably expects to attend the reception;

106 (K) Food or beverage or both, costing less than fifty dollars per
107 person and consumed at a publicly noticed reception to which all
108 members of the General Assembly from a region of the state are
109 invited and which is hosted not more than once in any calendar year
110 by a lobbyist or business organization. For the purposes of such limit,

111 (i) a reception hosted by a lobbyist who is an individual shall be
112 deemed to have also been hosted by the business organization which
113 he owns or is employed by, and (ii) a reception hosted by a business
114 organization shall be deemed to have also been hosted by all owners
115 and employees of the business organization who are lobbyists. In
116 making the calculation for the purposes of such fifty-dollar limit, the
117 donor shall divide the amount spent on food and beverage by the
118 number of persons whom the donor reasonably expects to attend the
119 reception. As used in this subparagraph, "region of the state" means
120 the established geographic service area of the organization hosting the
121 reception;

122 (L) A gift, including, but not limited to, food or beverage or both,
123 provided by an individual for the celebration of a major life event,
124 provided any such gift provided by an individual who is not a
125 member of the family of the recipient does not exceed one thousand
126 dollars in value;

127 (M) Gifts costing less than one hundred dollars in the aggregate or
128 food or beverage provided at a hospitality suite at a meeting or
129 conference of an interstate legislative association, by a person who is
130 not a registrant or is not doing business with the state of Connecticut;

131 (N) Admission to a charitable or civic event, including food and
132 beverage provided at such event, but excluding lodging or travel
133 expenses, at which a public official or state employee participates in
134 his or her official capacity, provided such admission is provided by the
135 primary sponsoring entity;

136 (O) Anything of value provided by an employer of (i) a public
137 official, (ii) a state employee, or (iii) a spouse of a public official or state
138 employee, to such official, employee or spouse, provided such benefits
139 are customarily and ordinarily provided to others in similar
140 circumstances;

141 (P) Anything having a value of not more than ten dollars, provided
142 the aggregate value of all things provided by a donor to a recipient

143 under this subdivision in any calendar year does not exceed fifty
144 dollars; or

145 (Q) Training that is provided by a vendor for a product purchased
146 by a state or quasi-public agency that is offered to all customers of
147 such vendor.

148 (8) "Immediate family" means any spouse, dependent children or
149 dependent relatives who reside in the individual's household.

150 (9) "Individual" means a natural person.

151 (10) "Legislative action" means introduction, sponsorship,
152 consideration, debate, amendment, passage, defeat, approval, veto,
153 overriding of a veto or any other official action or nonaction with
154 regard to any bill, resolution, amendment, nomination, appointment,
155 report, or any other matter pending or proposed in a committee or in
156 either house of the legislature, or any matter that is within the official
157 jurisdiction or cognizance of the legislature.

158 (11) "Lobbying" means communicating directly or soliciting others
159 to communicate with any official or his staff in the legislative or
160 executive branch of government or in a quasi-public agency, for the
161 purpose of influencing any legislative or administrative action except
162 that the term "lobbying" does not include (A) communications by or on
163 behalf of a party to, or an intervenor in, a contested case, as described
164 in regulations adopted by the Office of State Ethics in accordance with
165 the provisions of chapter 54, before an executive agency or a quasi-
166 public agency, [as defined in section 1-79,] (B) communications by a
167 representative of a vendor or by an employee of the registered client
168 lobbyist which representative or employee acts as a salesperson and
169 does not otherwise engage in lobbying regarding any administrative
170 action, (C) communications by an attorney made while engaging in the
171 practice of law and regarding any matter other than legislative action
172 as defined in subdivision (10) of this section or the proposal, drafting,
173 development, consideration, amendment, adoption or repeal of any
174 rule or regulation, or (D) other communications exempted by

175 regulations adopted by the Office of State Ethics in accordance with
176 the provisions of chapter 54.

177 (12) "Lobbyist" means a person who in lobbying and in furtherance
178 of lobbying makes or agrees to make expenditures, or receives or
179 agrees to receive compensation, reimbursement, or both, and such
180 compensation, reimbursement or expenditures are [two] three
181 thousand dollars or more in any calendar year or the combined
182 amount thereof is [two] three thousand dollars or more in any such
183 calendar year. "Lobbyist" does not include:

184 (A) A public official, employee of a branch of state government or a
185 subdivision thereof, including an official or employee of a quasi-public
186 agency, or elected or appointed official of a municipality or his or her
187 designee other than an independent contractor, who is acting within
188 the scope of his or her authority or employment;

189 (B) A publisher, owner or an employee of the press, radio or
190 television while disseminating news or editorial comment to the
191 general public in the ordinary course of business;

192 (C) An individual representing himself or herself or another person
193 before the legislature or a state agency other than for the purpose of
194 influencing legislative or administrative action;

195 (D) Any individual or employee who receives no compensation or
196 reimbursement specifically for lobbying and who limits his activities
197 solely to formal appearances to give testimony before public sessions
198 of committees of the General Assembly or public hearings of state
199 agencies and who, if he or she testifies, registers his or her appearance
200 in the records of such committees or agencies;

201 (E) A member of an advisory board acting within the scope of his or
202 her appointment;

203 (F) A senator or representative in Congress acting within the scope
204 of his or her office;

205 (G) Any person who receives no compensation or reimbursement
206 specifically for lobbying and who spends no more than five hours in
207 furtherance of lobbying unless such person (i) exclusive of salary,
208 receives compensation or makes expenditures, or both, of [two] three
209 thousand dollars or more in any calendar year for lobbying or the
210 combined amount thereof is [two] three thousand dollars or more in
211 any such calendar year, or (ii) expends fifty dollars or more for the
212 benefit of a public official in the legislative or executive branch, a
213 member of his or her staff or immediate family;

214 (H) A communicator lobbyist who receives or agrees to receive
215 compensation, reimbursement, or both, the aggregate amount of which
216 is less than [two] three thousand dollars from each client in any
217 calendar year.

218 (13) "Member of an advisory board" means any person appointed by
219 a public official as an advisor or consultant or member of a committee,
220 commission or council established to advise, recommend or consult
221 with a public official or branch of government or committee thereof
222 and who receives no public funds other than per diem payments or
223 reimbursement for his or her actual and necessary expenses incurred
224 in the performance of his or her official duties and who has no
225 authority to expend any public funds or to exercise the power of the
226 state.

227 (14) "Person" means an individual, a business, corporation, limited
228 liability company, union, association, firm, partnership, committee,
229 club or other organization or group of persons.

230 (15) "Political contribution" has the same meaning as in section 9-
231 601a except that for purposes of this part, the provisions of subsection
232 (b) of said section shall not apply.

233 (16) "Public official" means any state-wide elected state officer, any
234 member or member-elect of the General Assembly, any person
235 appointed to any office of the legislative, judicial or executive branch
236 of state government by the Governor, with or without the advice and

237 consent of the General Assembly, the spouse of the Governor and any
238 person appointed or elected by the General Assembly or any member
239 of either house thereof; but does not include a member of an advisory
240 board or a senator or representative in Congress.

241 (17) "Registrant" means a person who is required to register
242 pursuant to section 1-94, as amended by this act.

243 (18) "Reimbursement" means any money or thing of value received
244 or to be received in the form of payment for expenses as a lobbyist, not
245 including compensation.

246 (19) "State employee" means any employee in the executive, judicial
247 or legislative branch of state government, whether in the classified or
248 unclassified service and whether full or part-time.

249 (20) "Business organization" means a sole proprietorship,
250 corporation, limited liability company, association, firm or partnership,
251 other than a client lobbyist, that is owned by, or employs one or more
252 individual lobbyists.

253 (21) "Client lobbyist" means a lobbyist on behalf of whom lobbying
254 takes place and who makes expenditures for lobbying and in
255 furtherance of lobbying.

256 (22) "Communicator lobbyist" means a lobbyist who communicates
257 directly or solicits others to communicate with an official or the
258 official's staff in the legislative or executive branch of government or in
259 a quasi-public agency for the purpose of influencing legislative or
260 administrative action.

261 (23) "State agency" means any office, department, board, council,
262 commission, institution, constituent unit of the state system of higher
263 education, technical high school or other agency in the executive,
264 legislative or judicial branch of state government.

265 (24) "Quasi-public agency" means quasi-public agency, as defined in
266 section 1-79.

267 Sec. 2. Section 1-94 of the general statutes is repealed and the
268 following is substituted in lieu thereof (*Effective January 1, 2016*):

269 A lobbyist shall register with the Office of State Ethics pursuant to
270 this part if it or he:

271 (1) Receives or agrees to receive compensation or reimbursement for
272 actual expenses, or both, in a combined amount of [two] three
273 thousand dollars or more in a calendar year for lobbying, whether that
274 receipt of compensation or reimbursement or agreement to receive
275 such compensation or reimbursement is solely for lobbying or the
276 lobbying is incidental to that person's regular employment; or

277 (2) Makes or incurs an obligation to make expenditures of [two]
278 three thousand dollars or more in a calendar year for lobbying.

279 Sec. 3. Subsection (a) of section 1-95 of the general statutes is
280 repealed and the following is substituted in lieu thereof (*Effective*
281 *January 1, 2016*):

282 (a) Each registrant shall file every two years with the Office of State
283 Ethics on a registration form signed under penalty of false statement
284 on or before January fifteenth of odd-numbered years or prior to the
285 commencement of lobbying whichever is later. If the registrant is not
286 an individual, an authorized officer or agent of the registrant shall sign
287 the form. Such registration shall be on a form prescribed by the board
288 and shall include:

289 (1) If the registrant is an individual, the registrant's name,
290 permanent address and temporary address while lobbying and the
291 name, address and nature of business of any person who compensates
292 or reimburses, or agrees to compensate or reimburse the registrant and
293 the terms of the compensation, reimbursement or agreement, but shall
294 not include the compensation paid to an employee for his involvement
295 in activities other than lobbying;

296 (2) If the registrant is a corporation, the name, address, place of

297 incorporation and the principal place of business of the corporation;

298 (3) If the registrant is an association, group of persons or an
299 organization, the name and address of the principal officers and
300 directors of such association, group of persons or organization. If the
301 registrant is formed primarily for the purpose of lobbying, it shall
302 disclose the name and address of any person contributing [two] three
303 thousand dollars or more to the registrant's lobbying activities in any
304 calendar year;

305 (4) If the registrant is not an individual, the name and address of
306 each individual who will lobby on the registrant's behalf; and

307 (5) The identification, with reasonable particularity, of areas of
308 legislative or administrative action on which the registrant expects to
309 lobby, including the names of executive agencies and quasi-public
310 agencies and, where applicable, solicitations for state contracts and
311 procurements.

312 Sec. 4. Subsection (a) of section 1-96 of the general statutes is
313 repealed and the following is substituted in lieu thereof (*Effective*
314 *January 1, 2016*):

315 (a) Each client lobbyist registrant shall file with the Office of State
316 Ethics between the first and tenth day of April, July and January a
317 financial report, signed under penalty of false statement. The April and
318 July reports shall cover its lobbying activities during the previous
319 calendar quarter and the January report shall cover its lobbying
320 activities during the previous two calendar quarters. In addition to
321 such reports, each client lobbyist registrant which attempts to
322 influence legislative action shall file, under penalty of false statement,
323 interim monthly reports of its lobbying activities for each month the
324 General Assembly is in regular session, except that no monthly report
325 shall be required for any month in which it neither expends nor agrees
326 to expend one hundred dollars or more in furtherance of lobbying.
327 Such interim monthly reports shall be filed with the Office of State
328 Ethics no later than the tenth day of the month following the last day

329 of the month reported. If the client lobbyist registrant is not an
330 individual, an authorized officer or agent of the client lobbyist
331 registrant shall sign the form. A communicator lobbyist for a
332 municipality or any subdivision of a municipality [, a branch of state
333 government or any subdivision of state government or a quasi-public
334 agency] shall file the reports described in this subsection utilizing the
335 client lobbyist reporting schedule.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>January 1, 2016</i> | 1-91 |
| Sec. 2 | <i>January 1, 2016</i> | 1-94 |
| Sec. 3 | <i>January 1, 2016</i> | 1-95(a) |
| Sec. 4 | <i>January 1, 2016</i> | 1-96(a) |